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SUBJECT: CYPRUS: TRIES AND TRIES AGAIN WITH CONTROVERSIAL NEW LAW ON  
BIOTECH SEPARATE SHELVING

REFS: (A) 09 NICOSIA 661, (B) 07 NICOSIA 622

(U) This cable is sensitive but unclassified. Please protect accordingly.

¶1. (SBU) Summary. Cyprus is preparing to reenact a controversial law requiring separate shelving for biotech products on supermarket shelves. The law was first enacted in 2007 but it never actually entered into force because the President repealed it on procedural grounds. This time around, the GOC is making sure to follow proper EU procedure, entailing the Commission's prior review and authorization under 98/34 Directive. This constitutes a significant test case for the EU that would extend EU barriers to biotech trade.  
End Summary.

GOC Traditionally Hostile Towards Biotech  
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¶2. (SBU) Cyprus has long-standing hostility (beyond mere skepticism) towards GMOs. For example:

-- The GOC consistently votes against applications for new bioengineered crops considered by the EU (Ref A).

-- The GOC has declared as "GMO-free" the area under the Natura 2000 project (corresponding to 11.5 percent of the land area of the island). Local environmentalists and others have persistently pressured the government of Cyprus to declare the entire island "GMO-free."

-- In 2009, the GOC commissioned a study aimed at establishing that co-existence between bioengineered and conventional crops is impossible in Cyprus.

-- Last year, the Ministerial Council drafted legislation setting a "zero tolerance" policy for biotech seeds. Once completed, this legislation will ban importation of any shipment of conventional seeds containing even a trace of biotech seeds. (In the absence of an EU guideline for biotech content in seeds, most member states have set their corresponding limits between zero and 0.9%.)

-- In October 2009, the European Commission forced the Cyprus House of Representatives to repeal legislation (introduced in 2005) banning the importation and sale of biofuel products made from biotechnology plants. Since 2007, the European Commission had been pressuring Cyprus to abolish this legislation, ultimately threatening it with stiff fines. The Director of the government's Energy Service explained to the House of Representatives that, aside from the threat of EU fines, it was technically impossible to enforce this law, while the government's legal service conceded that

it had no scientific arguments to defend maintaining this legislation.

#### Separate Shelving Bill for Biotech Products: An EU First

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13. (SBU) Anti-biotech polemic in Cyprus reached a new high in 2007, when the Cypriot House of Representatives passed a law (after persistent lobbying from the local Green Party) requiring local stores to place all bioengineered products (defined as products with a biotechnology content above 0.9 percent) on separate shelves, under a sign clearly declaring them as containing genetically modified organisms, or "GMOs." This legislation -- the first of its kind in the EU -- never actually entered into force because the President, supported by the Supreme Court, repealed it on procedural grounds (Ref B).

14. (SBU) Post has been informed that the GOC is now trying to re-submit this bill, following proper procedure this time. The earlier version of the bill was handled by the Environment Service (under the Ministry of Agriculture) and the Medical Services and Public Health Services (under the Ministry of Health). At the Commission's recommendation, the GOC has now tasked the Ministry of Commerce with drafting the new bill.

15. (SBU) On February 16, we had a conversation with Officer Antonis Ioannou at the Ministry of Commerce, who had just been appointed in charge of re-drafting and re-submitting this bill. Ioannou noted that the new bill will be drafted under the 98/34 Directive. This sets up a procedure which imposes an obligation upon the Member States to notify the Commission and all member states the draft technical regulations concerning products and Information Society Services before they are adopted in national law. Such procedure

aims at providing transparency and control with regard to those regulations.

The Commission must respond to Cyprus within three months. This review process is intended to establish whether a new law is compatible with the EU acquis, and with WTO rules. Specifically, it will help determine whether this new law constitutes a Technical Barrier to Trade (TBT) or not. The GOC needs to explain the reasons why it needs such a law to begin with, and whether the separate shelving provision is justified.

16. (SBU) Comment: This will be the first time the Commission will be asked to rule on the substance of Cyprus' intention to pass a law providing separate shelving for biotech products. As such, it constitutes an important "pilot" case for the EU in terms of whether such strict regulations will be deemed compatible with EU labeling and food safety laws, and with WTO obligations. End Comment.

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